



# Missouri Department of Natural Resources Energy Center

## MISSOURI ENERGY BULLETIN

January 19, 2006

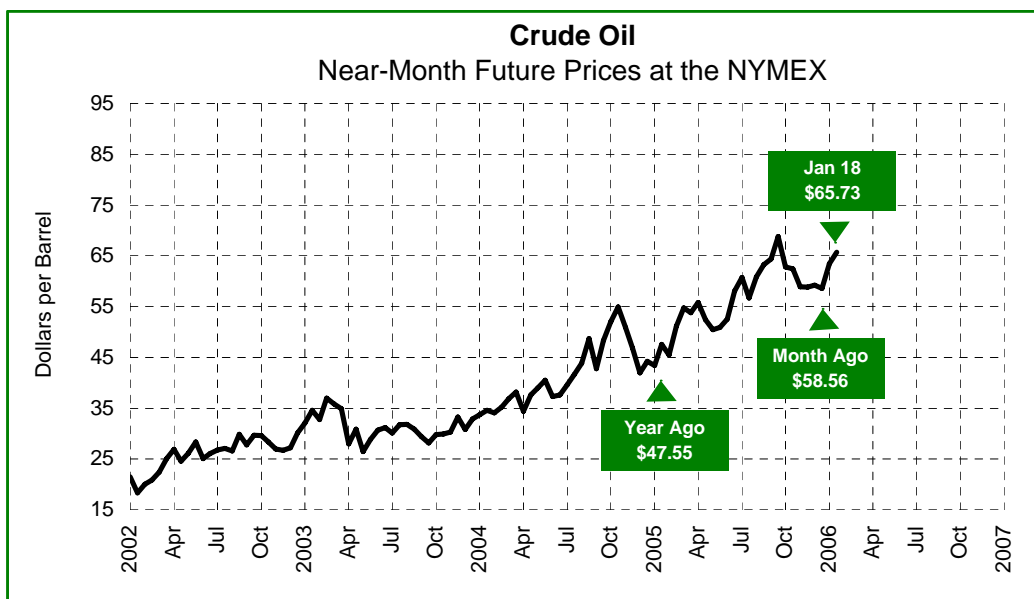
### Crude Oil

On Jan. 18, NYMEX crude oil futures closed at \$65.73 per barrel, an increase of more than \$7 per barrel since December 21, 2005.

*Crude Oil - Near Month Future Prices (dollars per barrel)*

	<u>01-18-06</u>	<u>12-21-05</u>	<u>change</u>	<u>01-19-05</u>	<u>change</u>
NYMEX	\$65.73	\$58.56	up 12%	\$47.55	up 38%

- Crude oil futures for February delivery on the NYMEX decreased \$0.58 on Jan. 18 to settle at \$65.73 per barrel, an increase of more than \$7 per barrel since mid-December in response to concerns over Iran's renewed uranium enrichment efforts and escalating violence at Nigeria's oil production fields. Unusually mild weather that has cut heating demand in the U.S., particularly heating oil demand in the U.S. Northeast, and has helped to pressure crude values lower.



- According to the Energy Information Administration (EIA), U.S. crude supplies increased 2.7 million barrels to 321.4 million barrels, and now stand 29.2 million barrels above last year's level at this time of year. According to the U.S. Minerals Management Service (MMS), as of Wednesday, January 11, approximately 0.4 million barrels or 26.5% of daily production of the Gulf's 1.5 million barrels per day of crude production continues to be shut down.

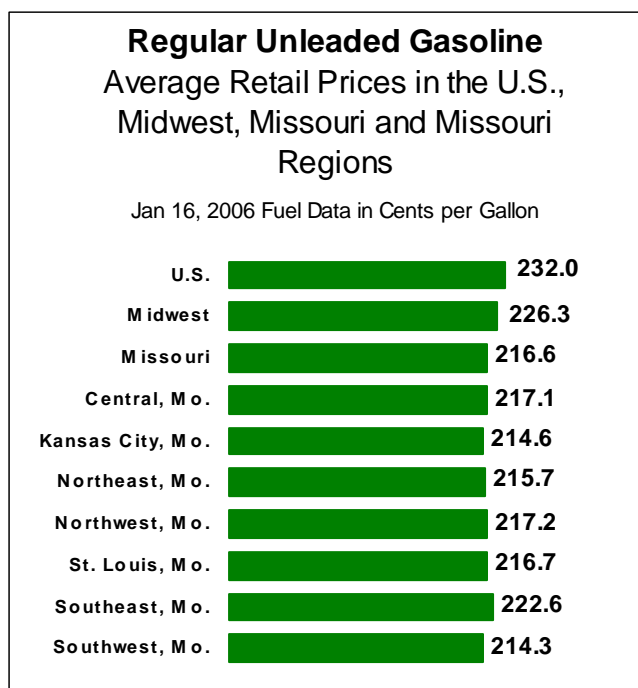
- For the week ending Jan. 13, U.S. crude oil production increased by 0.3 million barrels per day to 5.1 million barrels per day. Current production is below the 5.4 million barrels per day reported at this time last year. Crude oil imports remained unchanged at 9.8 million barrels per day. Crude oil imports were estimated at 10.1 million barrels per day at this time last year.
- Refinery runs fell by 3.3 percent to 86.5% of capacity as refineries began winter maintenance. Approximately 2 million barrels of daily production will be impacted by scheduled maintenance through mid-March. Refinery utilization was estimated at 14.7 million barrels of crude oil per day compared to 15.2 at this time last year.

## Transportation Fuels

On Jan. 16, Missouri's average retail price for regular unleaded gasoline and diesel fuel was \$2.17 and \$2.35 per gallon, respectively. Prices remain firm over concerns regarding the availability of transportation fuel supplies this summer.

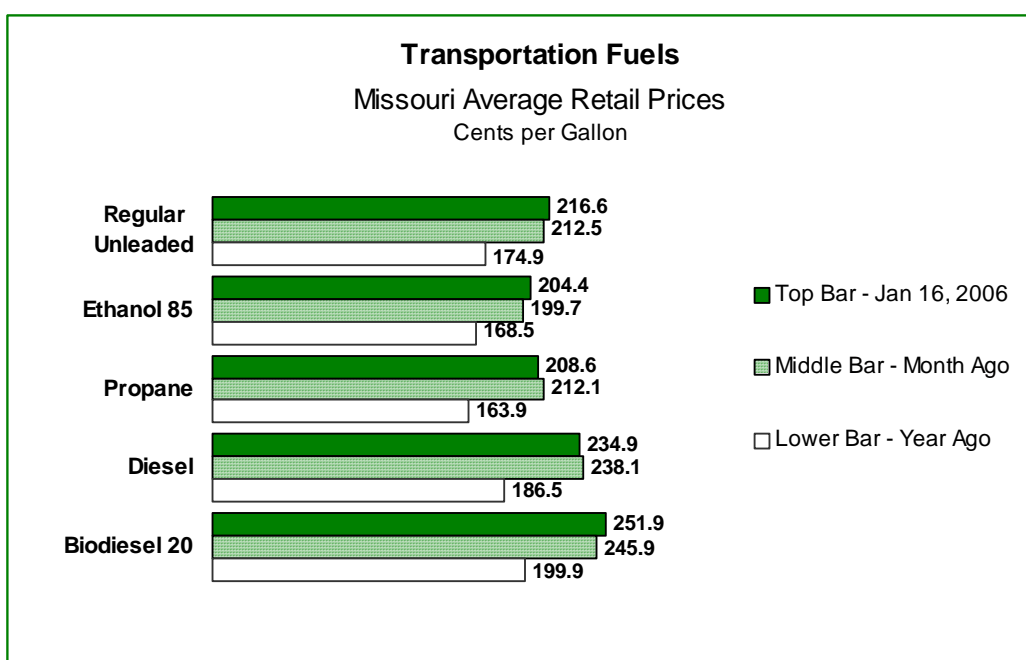
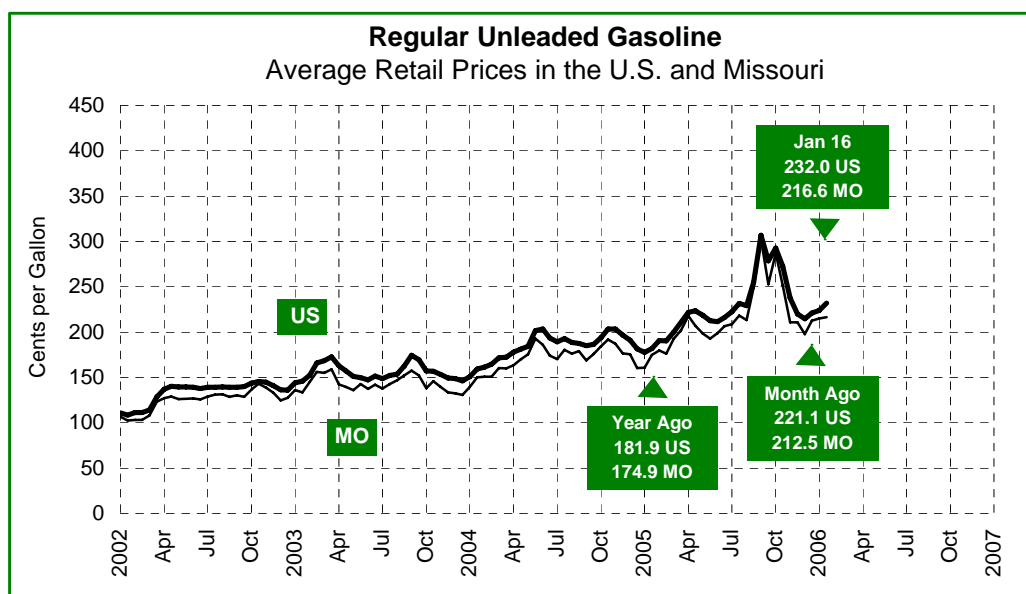
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>01-16-06</u>	<u>12-19-05</u>	<u>change</u>	<u>01-17-05</u>	<u>change</u>
US	232.0	221.1	up 5%	181.9	up 28%
Missouri	216.6	212.5	up 2%	174.9	up 24%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>01-16-06</u>	<u>12-19-05</u>	<u>change</u>	<u>01-17-05</u>	<u>change</u>
Missouri	234.9	238.1	down 1%	186.5	up 26%



- On January 16, Missouri's statewide average gasoline retail price was up 2 percent while diesel retail prices were down 1 percent from last month. Gasoline prices continue to move higher due to concerns over supplies this summer. Missouri's average retail price for diesel decreased 3.2 cents from last month but is 48.4 cents higher than at this time last year.

- Distillate stocks, which include heating oil and diesel fuel, increased 0.9 million barrels to 134.7 million barrels. Distillate supplies are now 10.9 million barrels higher than at this time last year.



- For the week ending Jan. 13, U.S. gasoline stocks increased 2.8 million barrels to 211.6 million barrels. Demand has now dropped to 8.8 million barrels per day, compared to 9.36 million barrels per day as of Dec. 30. At this time last year, demand was 8.7 million barrels per day. Gasoline imports remained unchanged at 1 million barrels per day compared to just 0.5 million at this time last year. Gasoline supplies are down 5.4 million barrels from a year ago.

## Coal

The average monthly price of Powder River coal was \$14.50 per ton for Dec. 2005, down 15 percent from Nov. 2005 and up 158 percent since Dec. 2004.

### Coal - Spot Prices (dollars per ton)

	<u>Dec '05</u>	<u>Nov '05</u>	<u>change</u>	<u>Dec '04</u>	<u>change</u>
Powder River	\$14.50	\$17.00	down 15%	\$5.63	up 158%

- Shifting from the monthly average spot prices reported above to the weekly spot price breakouts, according to the EIA, for the week ended January 6, Powder River Basin (PRB) spot prices increased to new highs for the third active business week in a row. The average spot price for PRB product climbed to \$20.49 per short ton. In rapid succession, average spot prices had climbed from \$14.48 to \$16.48 three weeks earlier, then, after the holiday break, to \$18.48 per short ton before jumping to \$20.49. With deliveries of December PRB disrupted due to rail issues, coal supplies now being delivered to market and are subject to higher coal contract prices that began Jan. 1.

### Natural Gas

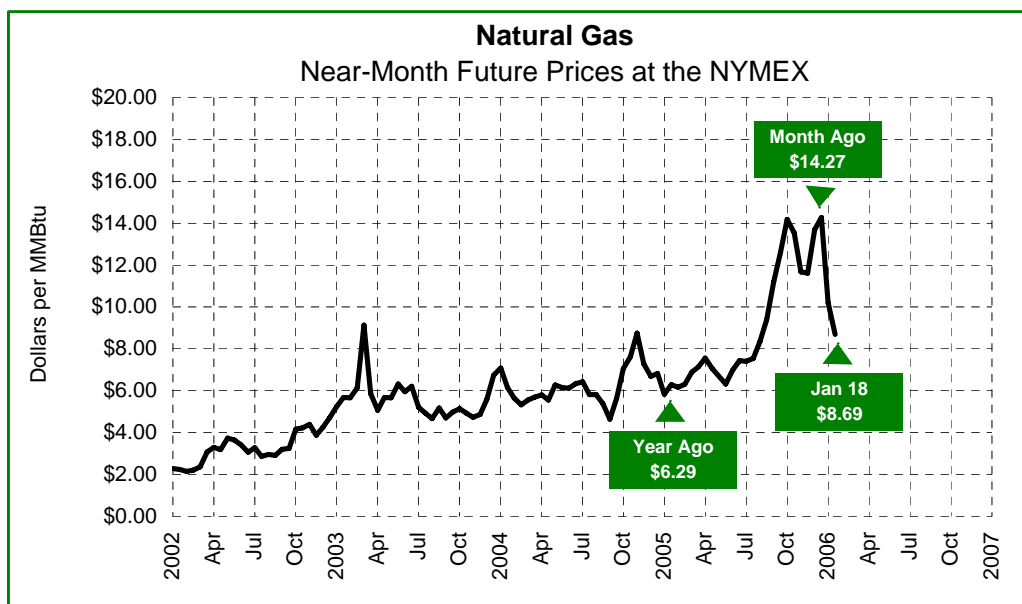
Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

**On Jan. 18, natural gas futures closed at \$8.69 per MMBtu, a decline of 39 percent or \$5.58 since last month due to continued unseasonably mild weather.**

### Natural Gas - Near Month Future Prices (dollars per mmbtu)

	<u>01-18-06</u>	<u>12-21-05</u>	<u>change</u>	<u>01-19-05</u>	<u>change</u>
NYMEX	\$8.69	\$14.27	down 39%	\$6.29	up 38%

- On Jan. 18, the price of the NYMEX futures contract for February delivery settled at \$8.69 per MMBtu. Space heating demand has been curbed due to continued unseasonably warm temperatures throughout the U.S. that have contributed to widespread price declines in natural gas spot markets since December 21. Despite the decline, the price remains 38 percent higher than this time last year.



- Working gas in storage was 2,575 Bcf as of Friday, January 13, which is 16.3 percent above the 5-year average inventory level for the report week, according to EIA's Weekly Natural Gas Storage Report. This is the second largest inventory for this date since 1994. As of Jan. 11, the Minerals

Management Service (MMS) estimated that 1.805 billion cubic feet per day (BCFPD) or 18.05% of the Gulf's 10 BCFPD of natural gas production remains shut down.

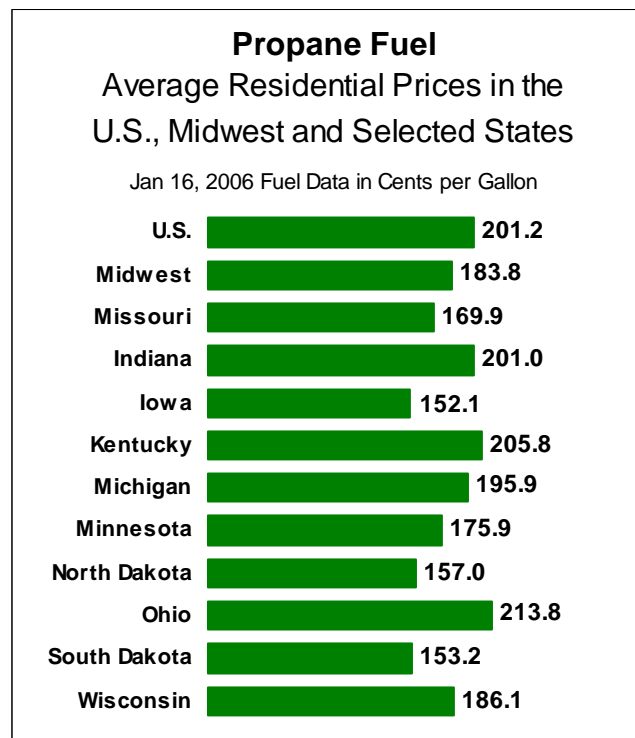
## Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**Missouri's average retail propane price was \$1.70 per gallon on Jan. 16, down 0.7 cents from a month ago and 17.6 cents or 12 percent higher than a year ago.**

Propane - Residential Prices (cents per gallon)					
	01-16-06	12-19-05	change	01-17-05	change
Missouri	169.9	170.6	down 1%	152.3	up 12%

- Despite above average temperatures during the first half of January, U.S. inventories of propane are down last week by 3 million barrels, moving inventories to an estimated 53 million barrels as of January 13, 2006. If temperatures remain relatively moderate through the rest of January, the monthly draw may fall short of the 5-year average for January. The cumulative draw through the first half of January totaled about 4.6 million barrels.
- Midwest inventories declined 0.6 million barrels, moving from 18.2 to 17.6 million barrels for the week ending January 13. Inventories stood at 16.4 million barrels at this time last year.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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